



AGING COMMITTEE

Tuesday, March 8, 2022

Testimony of Jean Mills Aranha, Connecticut Legal Services, Inc.

Conditional Support for S.B. 264, An Act Concerning A Qualified Deduction from Medicaid Applied Income for Conservator Costs

Support for H.B. 5310, An Act Requiring Nursing Home Facilities to Spend at Least Ninety Per Cent of Medicaid Funding Provided by the State of Direct Care

Support for H.B. 5313, An Act Concerning Temporary Price Controls on Services Provided by Temporary Nursing Services Agencies

My name is Jean Mills Aranha and I am the Managing Attorney of the Stamford office of Connecticut Legal Services, Inc. (CLS), where I practice elder law. Connecticut's legal aid programs are private non-profit law firms that provide free legal services to low-income residents of Connecticut, including residents of nursing homes and conserved persons. I served on the Governor's Nursing Home and Assisted Living Oversight Working Group, which examined solutions to the crises that arose in these facilities during the Covid-19 pandemic. We appreciate the opportunity to express our views on three pieces of legislation that are before you today.

Conditional Support for S.B. 264, An Act Concerning A Qualified Deduction from Medicaid Applied Income for Conservator Costs

Section 1 of S.B. 264 would require the Department of Social Services to seek federal approval to amend the state Medicaid plan to allow deductions from the income of conserved nursing home residents to pay for their conservator fees, probate filing fees, premiums for probate bonds, and other fiduciary expenses approved by the Probate Court.

We do not object to this concept, but it is important that deductions for conservator costs and probate court fees and expenses be deducted only after the other currently permissible federal deductions essential to the well-being of the individual and his or her family members, are paid out first. Currently permissible deductions should be prioritized in case there is not income available to cover all such deductions in addition to what is being proposed by SB 264.

In general, nursing home residents on Medicaid are required to pay all of their income towards the cost of their care in the nursing home except for:

- a personal needs allowance
- for residents with a minor child, a family allowance
- for married residents, a diversion of income to the community spouse,
- unpaid medical expenses, and
- a community allowance to maintain a home if the resident is expected to return home within six months.

If the conserved nursing home resident has income remaining after deducting these expenses, the fees proposed by SB 264 could be deducted.

To address our concerns, we suggest adding the following sentence at the end of Sec. 1(a):

“Any such qualified deduction for conservator expenses and probate court fees and expenses shall only be made to applied income after all other deductions provided in the state Medicaid plan in effect on January 1, 2022, have already been made.”

Support for H.B. 5310, An Act Requiring Nursing Home Facilities to Spend at Least Ninety Per Cent of Medicaid Funding Provided by the State of Direct Care

The purpose of H.B. 5310 is to require nursing homes to spend at least ninety percent of Medicaid funded provided by the State on direct care of nursing home residents. This is a concept which has been a long time coming and we support its enactment.

H.B. 5310 addresses the issue of direct care for nursing home residents in two important ways. First, in Section 1 (a) (4), it requires facilities to provide **plain language** summaries with annual cost reports. The current cost reports are difficult to decipher. H.B. 5310 requires that the plain language summaries shall include the percentage of Medicaid funding allocated to the five cost components of allowable costs and to any related party. These summaries will shed welcome and long needed light on how nursing homes are actually spending the many Medicaid dollars paid to them each year for the care of vulnerable residents.

In addition to this transparency requirement, Section 1(a)(6) requires that a nursing home must spend at least ninety percent of the Medicaid dollars it receives on direct care of residents. Taken together, these provisions will help to assure that a significant portion of taxpayer dollars are going to fund much needed care for residents and not excessive administrative costs and profits for the facilities, their corporate owners and related entities.

We support the passage of H.B. 5310.

Support for H.B. 5313, An Act Concerning Temporary Price Controls on Services Provided by Temporary Nursing Services Agencies

Particularly during the Covid epidemic, there has been concern that temporary nursing services agencies have significantly raised the prices they charge to nursing homes for their services.

H.B. 5313 would create a registry for these agencies, with minimum standards importantly including qualifications of nursing personnel provided to the nursing homes by the agency. It also sets maximum rates that may be charged by the agency. These provisions should serve as a protection against price gouging. By limiting the amount that can go to administrative expenses or profit, increases in compensation should go to the staff and not the agency.

We support the passage of H.B. 5310.

Thank you.

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